

CITY OF LAKE ALFRED
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2020

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2022

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2020



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 14, 2020

Board of Trustees
City of Lake Alfred
Firefighters and Police Officers' Pension Board

Re: City of Lake Alfred Police Officers' and Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Lake Alfred Police Officers' and Firefighters' Retirement System. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112, 175, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Lake Alfred, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2020 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Lake Alfred, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' and Firefighters' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

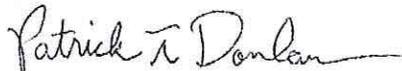
Foster & Foster, Inc.

By:



Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

By:



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake Alfred Police Officers' and Firefighters' Retirement System, performed as of October 1, 2020, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2022.

The contribution requirements, compared with those set forth in the October 1, 2019 actuarial valuation report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2020 <u>9/30/2022</u>	10/1/2019 <u>9/30/2021</u>
Minimum Required Contribution	\$183,858	\$218,112
Member Contributions (Est.)	45,396	50,037
City And State Required Contribution	138,462	168,075
State Contribution (Est.) ¹	77,169	77,169
City Required Contribution ²	\$61,293	\$90,906

¹ Represents the amount received in calendar 2020. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

² Please note that the City has access to a prepaid contribution of \$109,606.23 that is available to offset any or all of the above stated requirements for the fiscal year ending September 30, 2021.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results determined in the October 1, 2019 actuarial valuation report. The decrease is primarily attributable to a change in the actuarial assumptions approved by the Board. Additionally, there was net favorable actuarial experience over the past year as described on the following page.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included favorable retirement experience, an investment return of 8.86% (Actuarial Asset Basis) which exceeded the 7.25% assumption, and favorable salary increase experience. These gains were offset in part by a loss associated with less turnover than expected.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Additionally, as a result of an Experience Study dated June 15, 2020, the following assumption changes were made:

- The investment return assumption was reduced from 7.25% to 7.00%, net of investment related expenses.
- The assumed individual salary increases were changed from an age-based table to a service-based table as follows:

Less than 5 years of service	5.75% per year
5 – 14 years of service	5.00% per year
15+ years of service	4.25% per year
- The assumed retirement age for those eligible for Normal Retirement is being changed to be a 33.33% probability at first eligibility for Normal Retirement, 50% probability in second year of eligibility and 100% at 2 years after being first eligible for Normal Retirement. The assumption that Members eligible for Normal Retirement on the valuation date will work one more year has been removed.
- The assumed rates of pre-retirement withdrawal have been changed from an age-based table to a service-based table as outlined in the assumptions and method section of this report.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
A. Participant Data			
Actives	20	20	18
Service Retirees	6	6	2
DROP Retirees	0	0	1
Beneficiaries	1	1	1
Disability Retirees	0	0	0
Terminated Vested	<u>9</u>	<u>9</u>	<u>8</u>
Total	36	36	30
Total Annual Payroll	\$992,473	\$993,747	\$916,957
Payroll Under Assumed Ret. Age	833,771	993,747	916,957
Annual Rate of Payments to:			
Service Retirees	124,110	124,110	28,917
DROP Retirees	0	0	41,972
Beneficiaries	14,183	14,183	14,183
Disability Retirees	0	0	0
Terminated Vested	24,359	24,359	24,359
B. Assets			
Actuarial Value (AVA) ¹	4,768,116	4,768,116	4,683,425
Market Value (MVA) ¹	4,873,299	4,873,299	4,722,762
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	3,616,001	3,851,269	4,028,747
Disability Benefits	50,729	48,772	40,249
Death Benefits	22,496	31,371	29,530
Vested Benefits	121,594	135,013	114,041
Refund of Contributions	53,453	41,118	28,579
Service Retirees	1,484,251	1,479,256	347,765
DROP Retirees ¹	0	0	698,440
Beneficiaries	126,422	126,499	129,630
Disability Retirees	0	0	0
Terminated Vested	277,547	273,004	254,289
Share Plan Balances ¹	<u>0</u>	<u>0</u>	<u>0</u>
Total	5,752,493	5,986,302	5,671,270

C. Liabilities - (Continued)	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Present Value of Future Salaries	6,238,630	6,526,113	4,929,734
Present Value of Future Member Contributions	311,932	326,306	246,487
Normal Cost (Retirement)	118,821	160,212	151,680
Normal Cost (Disability)	4,736	5,206	4,608
Normal Cost (Death)	1,360	2,087	1,837
Normal Cost (Vesting)	10,368	12,195	11,835
Normal Cost (Refunds)	8,910	6,031	4,678
Total Normal Cost	<u>144,195</u>	<u>185,731</u>	<u>174,638</u>
Present Value of Future Normal Costs	1,035,253	1,262,767	927,132
Accrued Liability (Retirement)	2,742,702	2,752,393	3,222,742
Accrued Liability (Disability)	18,420	16,602	16,176
Accrued Liability (Death)	12,755	18,644	20,139
Accrued Liability (Vesting)	46,977	49,865	49,827
Accrued Liability (Refunds)	8,166	7,272	5,130
Accrued Liability (Inactives) ¹	1,888,220	1,878,759	1,430,124
Share Plan Balances ¹	0	0	0
Total Actuarial Accrued Liability (EAN AL)	<u>4,717,240</u>	<u>4,723,535</u>	<u>4,744,138</u>
Unfunded Actuarial Accrued Liability (UAAL)	(50,876)	(44,581)	60,713
Funded Ratio (AVA / EAN AL)	101.1%	100.9%	98.7%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	1,888,220	1,878,759	1,430,124
Actives	1,943,624	1,890,614	2,103,242
Member Contributions	<u>303,635</u>	<u>303,635</u>	<u>342,699</u>
Total	4,135,479	4,073,008	3,876,065
Non-vested Accrued Benefits	<u>86,616</u>	<u>116,145</u>	<u>226,646</u>
Total Present Value Accrued Benefits (PVAB)	4,222,095	4,189,153	4,102,711
Funded Ratio (MVA / PVAB)	115.4%	116.3%	115.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	32,942	0	
Plan Experience	0	292,375	
Benefits Paid	0	(485,770)	
Interest	0	279,837	
Other	<u>0</u>	<u>0</u>	
Total	32,942	86,442	

	New Assump	Old Assump	
Valuation Date	10/1/2020	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
E. Pension Cost			
Normal Cost ²	\$151,708	\$195,668	\$183,929
Administrative Expenses ²	32,150	32,193	27,201
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2020) ²	(4,798)	(4,194)	6,982
Minimum Required Contribution ³	183,858	227,861	218,112
Expected Member Contributions ²	45,396	54,243	50,037
Expected City and State Contribution	138,462	173,618	168,075
F. Past Contributions			
Plan Years Ending:	<u>9/30/2020</u>		
City and State Requirement	159,690		
Actual Contributions Made:			
City	82,578		
State	<u>77,112</u>		
Total	159,690		
G. Net Actuarial (Gain)/Loss	(108,374)		

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2020 and 9/30/2019.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase components.

³ Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2020	(50,876) ¹

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2020	7.11%	5.33%
Year Ended 9/30/2019	7.20%	5.32%
Year Ended 9/30/2018	4.69%	5.29%
Year Ended 9/30/2017	10.94%	5.25%
Year Ended 9/30/2016	6.54%	5.30%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2020	10.02%	8.86%	7.25%
Year Ended 9/30/2019	4.77%	7.90%	7.25%
Year Ended 9/30/2018	7.40%	6.29%	7.25%
Year Ended 9/30/2017	13.45%	7.29%	7.50%
Year Ended 9/30/2016	6.17%	6.68%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2020	\$833,771
	10/1/2010	597,596
(b) Total Increase		39.52%
(c) Number of Years		10.00
(d) Average Annual Rate		3.39%

¹ Based on current State law and the existing UAAL bases, the UAAL is projected to never be positive.

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

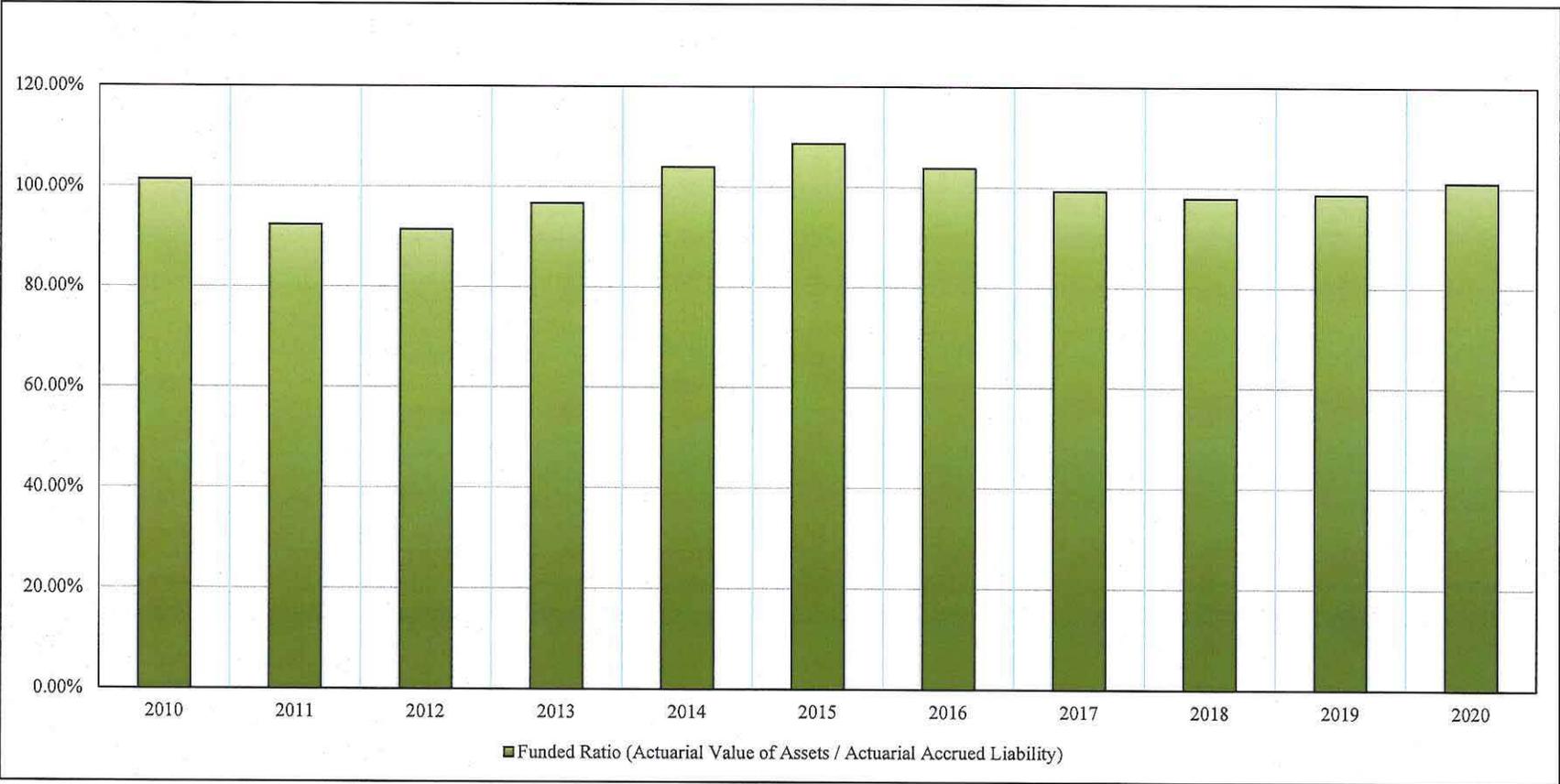
(1) Unfunded Actuarial Accrued Liability as of October 1, 2019	\$60,713
(2) Sponsor Normal Cost developed as of October 1, 2019	128,790
(3) Expected administrative expenses for the year ended September 30, 2020	25,827
(4) Expected interest on (1), (2) and (3)	14,675
(5) Sponsor contributions to the System during the year ended September 30, 2020	159,690
(6) Expected interest on (5)	6,522
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2020 (1)+(2)+(3)+(4)-(5)-(6)	63,793
(8) Change to UAAL due to Assumption Change	(6,295)
(9) Change to UAAL due to Actuarial (Gain)/Loss	(108,374)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2020	(50,876)

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2020 Amount</u>	<u>Amortization Amount</u>
Consolidated Base	10/1/2018	13	78,173	8,742
Benefit Change	10/1/2018	13	35	4
Actuarial Gain	10/1/2019	14	(14,415)	(1,540)
Actuarial Gain	10/1/2020	15	(108,374)	(11,120)
Assump Change	10/1/2020	15	(6,295)	(646)
			<u>(50,876)</u>	<u>(4,560)</u>

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2019	\$60,713
(2) Expected UAAL as of October 1, 2020	63,793
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(72,879)
Salary Increases	(25,302)
Active Decrements	(15,407)
Inactive Mortality	7,901
Other	<u>(2,687)</u>
Increase in UAAL due to (Gain)/Loss	(108,374)
Assumption Changes	<u>(6,295)</u>
(4) Actual UAAL as of October 1, 2020	(\$50,876)

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year. Prior year assumption: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

Prior year assumption (Female): 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Prior year assumption (Male): 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

7.00% (prior year 7.25%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

See table below as follows. Previously it was 6.00% per year until age 30 and 5.25% per year on and after age 30. Projected salary at retirement is increased individually to account for non-regular compensation. The assumed rates of salary increase were adopted as a result of our June 15, 2020 actuarial experience study.

Salary Scale	
Service	Rate
<5	5.75%
5-14	5.00%
15+	4.25%

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$30,558 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization amounts are amortized over 15 years.

Normal Retirement Age

First eligibility for Normal Ret	33.33%
Second year of eligibility	50.00%
Two years after first eligibility	100.0%

Previously: Earlier of Age 55 and 10 years of service or Age 52 and 25 years of service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

The new assumption was based upon our Experience Study dated June 15, 2020.

Early Retirement

Commencing with the earliest Early Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This is based upon our Experience Study dated June 15, 2020.

Disability Rate

Sample rates below. It is assumed that 90% of disablements for firefighters and 75% of disablements for police officers are service related. The assumed rates are consistent with those used by other plans containing Florida municipal safety employees.

% Becoming Disabled During the Year	
Age	Rate
25	0.03%
35	0.05%
45	0.10%
55	0.36%
65	2.22%

Termination Rate

% Terminating During the Year	
Service	Rate
<5	15.0%
5	7.5%
6	7.0%
7	6.5%
8	6.0%
9	5.5%
10-14	5.0%
15-19	2.5%
20+	1.0%

Previously: Sample rates below.

% Terminating During the Year	
Service	Rate
25	13.1%
35	8.7%
45	3.7%
55	0.7%
65	0.5%

The new assumption was based upon our Experience Study dated June 15, 2020.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor dollar funding requirement:

Interest – None, assumes October 1 deposit.

Salary – A full year, based on the current average assumption (5.21%).

Actuarial Asset Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has increased from 212.5% on October 1, 2010 to 222.2% on October 1, 2020, indicating that the plan has experienced growth in the active population.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 40.0%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in lower volatility in contribution requirements when compared to a more mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has stayed approximately the same from October 1, 2010 to October 1, 2020.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from October 1, 2010 to October 1, 2020. The current Net Cash Flow Ratio of -6.5% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2010</u>	<u>10/1/2015</u>	<u>10/1/2019</u>	<u>10/1/2020</u>
<u>Support Ratio</u>				
Total Actives	17	15	18	20
Total Inactives ¹	8	6	6	9
Actives / Inactives ¹	212.5%	250.0%	300.0%	222.2%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	1,513,849	3,188,051	4,722,762	4,873,299
Total Annual Payroll	597,596	617,658	916,957	992,473
MVA / Total Annual Payroll	253.3%	516.2%	515.0%	491.0%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	613,014	1,158,952	1,430,124	1,888,220
Total Accrued Liability (EAN)	1,615,568	3,009,683	4,744,138	4,717,240
Inactive AL / Total AL	37.9%	38.5%	30.1%	40.0%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	1,638,657	3,271,397	4,683,425	4,768,116
Total Accrued Liability (EAN)	1,615,568	3,009,683	4,744,138	4,717,240
AVA / Total Accrued Liability (EAN)	101.4%	108.7%	98.7%	101.1%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(92,744)	(79,645)	140,138	(316,370)
Market Value of Assets (MVA)	1,513,849	3,188,051	4,722,762	4,873,299
Ratio	-6.1%	-2.5%	3.0%	-6.5%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	13,509.00	_____%
1999	13,804.00	2.2%
2000	15,249.00	10.5%
2001	12,891.00	-15.5%
2002	16,860.00	30.8%
2003	18,728.00	11.1%
2004	17,329.95	-7.5%
2005	17,408.07	0.5%
2006	20,905.77	20.1%
2007	22,702.00	8.6%
2008	22,334.48	-1.6%
2009	29,685.14	32.9%
2010	30,803.67	3.8%
2011	31,532.09	2.4%
2012	38,581.38	22.4%
2013	54,514.40	41.3%
2014	60,971.56	11.8%
2015	58,522.44	-4.0%
2016	62,346.76	6.5%
2017	61,371.17	-1.6%
2018	64,374.13	4.9%
2019	70,944.67	10.2%
2020	77,112.03	8.7%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	100,155.29	100,155.29
Total Cash and Equivalents	100,155.29	100,155.29
Receivables:		
Investment Income	1,051.94	1,051.94
Total Receivable	1,051.94	1,051.94
Investments:		
Stocks	990,349.28	1,355,347.07
Mutual Funds:		
Fixed Income	1,483,984.54	1,518,131.27
Equity	1,881,595.92	2,027,763.30
Total Investments	4,355,929.74	4,901,241.64
Total Assets	4,457,136.97	5,002,448.87
<u>LIABILITIES</u>		
Payables:		
Benefit Payments	878.41	878.41
DROP Distributions	3,525.23	3,525.23
Investment Expenses	2,080.11	2,080.11
Administrative Expenses	13,059.60	13,059.60
Prepaid City Contribution	109,606.23	109,606.23
Total Liabilities	129,149.58	129,149.58
NET POSITION RESTRICTED FOR PENSIONS	4,327,987.39	4,873,299.29

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

ADDITIONS

Contributions:

Member	45,680.99
City	82,577.97
State	77,112.03

Total Contributions 205,370.99

Investment Income:

Net Realized Gain (Loss)	393,581.99
Unrealized Gain (Loss)	(28,699.62)
Net Increase in Fair Value of Investments	364,882.37
Interest & Dividends	127,978.81
Less Investment Expense ¹	(25,953.23)

Net Investment Income 466,907.95

Total Additions 672,278.94

DEDUCTIONS

Distributions to Members:

Benefit Payments	86,091.50
Lump Sum DROP Distributions	250,157.24
Lump Sum PLOP Distributions	149,521.32
Refunds of Member Contributions	0.00

Total Distributions 485,770.06

Administrative Expense 35,971.27

Total Deductions 521,741.33

Net Increase in Net Position 150,537.61

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 4,722,761.68

End of the Year 4,873,299.29

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2020

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2017	13.45%	
09/30/2018	7.40%	
09/30/2019	4.77%	
09/30/2020	10.02%	
Annualized Rate of Return for prior four (4) years:		8.86%
(A) 10/01/2019 Actuarial Assets:		\$4,683,424.93
(I) Net Investment Income:		
1. Interest and Dividends	127,978.81	
2. Realized Gain (Loss)	393,581.99	
3. Unrealized Gain (Loss)	(28,699.62)	
4. Change in Actuarial Value	(65,846.80)	
5. Investment Related Expenses	(25,953.23)	
Total		401,061.15
(B) 10/01/2020 Actuarial Assets:		\$4,768,115.74
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.86%
10/01/2020 Limited Actuarial Assets:		\$4,768,115.74
10/01/2020 Market Value of Assets:		\$4,873,299.29
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$72,879.06

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2020
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	45,680.99	
City	82,577.97	
State	77,112.03	
Total Contributions		205,370.99
Earnings from Investments:		
Interest & Dividends	127,978.81	
Net Realized Gain (Loss)	393,581.99	
Unrealized Gain (Loss)	(28,699.62)	
Change in Actuarial Value	(65,846.80)	
Total Earnings and Investment Gains		427,014.38

EXPENDITURES

Distributions to Members:		
Benefit Payments	86,091.50	
Lump Sum DROP Distributions	250,157.24	
Lump Sum PLOP Distributions	149,521.32	
Refunds of Member Contributions	0.00	
Total Distributions		485,770.06
Expenses:		
Investment related ¹	25,953.23	
Administrative	35,971.27	
Total Expenses		61,924.50
Change in Net Assets for the Year		84,690.81
Net Assets Beginning of the Year		4,683,424.93
Net Assets End of the Year²		4,768,115.74

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

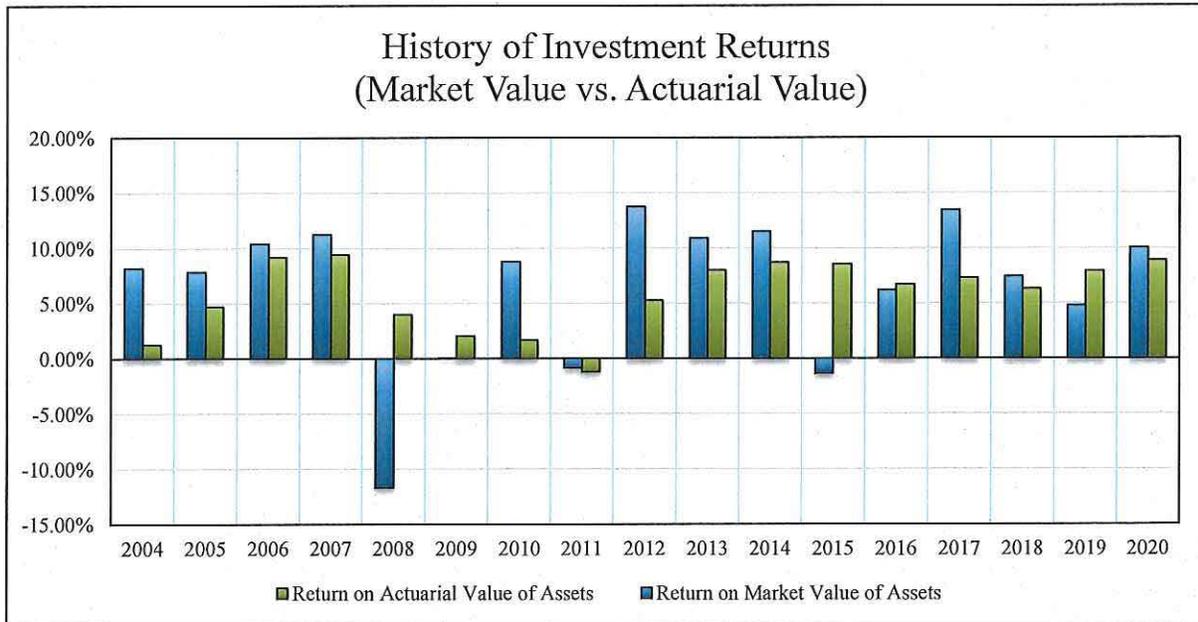
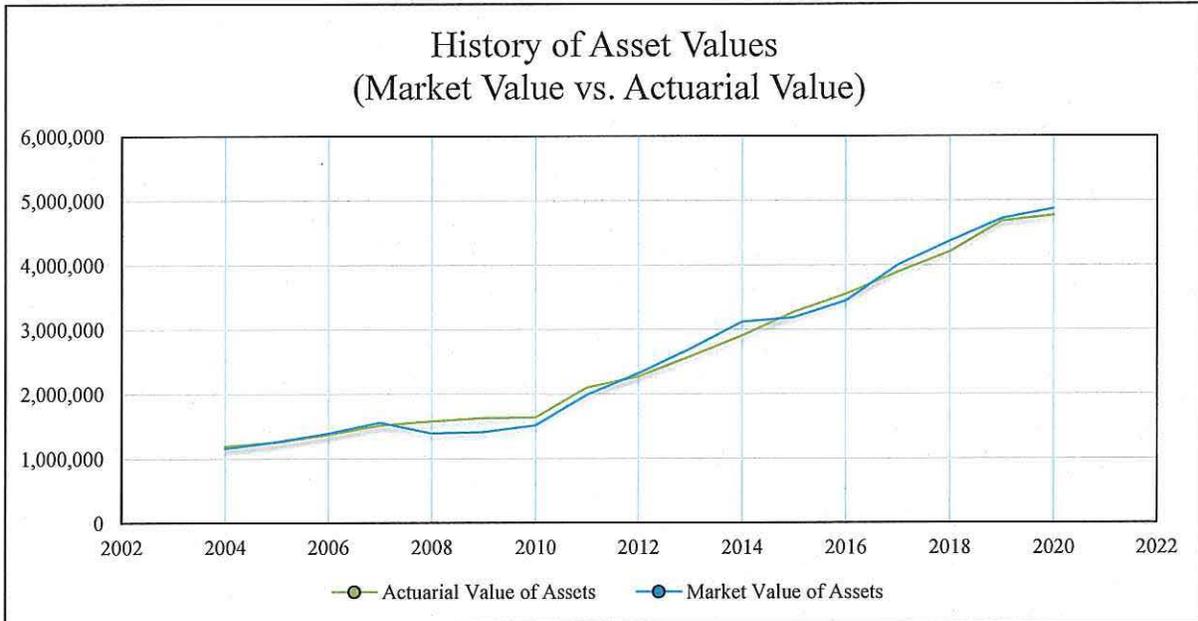
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2019 to September 30, 2020

Beginning of the Year Balance	218,274.06
Plus Additions	24,465.33
Investment Return Earned	7,417.85
Less Distributions	(250,157.24)
End of the Year Balance	0.00

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2020

(1) Required City and State Contributions	\$159,690.00
(2) Less Allowable State Contribution	<u>(77,112.03)</u>
(3) Required City Contribution for Fiscal 2020	82,577.97
(4) Less 2019 Prepaid Contribution	(28,799.19)
(5) Less Actual City Contributions	<u>(163,385.01)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2020	(\$109,606.23)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>
<u>Actives</u>				
Number	17	16	18	20
Average Current Age	43.9	45.4	44.5	42.1
Average Age at Employment	35.4	35.6	34.6	34.5
Average Past Service	8.5	9.8	9.9	7.6
Average Annual Salary	\$46,443	\$48,970	\$50,942	\$49,624
<u>Service Retirees</u>				
Number	2	2	2	6
Average Current Age	64.1	65.1	66.1	58.8
Average Annual Benefit	\$14,459	\$14,459	\$14,459	\$20,685
<u>DROP Retirees</u>				
Number	1	1	1	0
Average Current Age	54.7	55.7	56.7	N/A
Average Annual Benefit	\$41,972	\$41,972	\$41,972	N/A
<u>Beneficiaries</u>				
Number	1	1	1	1
Average Current Age	71.0	72.0	73.0	74.0
Average Annual Benefit	\$14,183	\$14,183	\$14,183	\$14,183
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	9	10	8	9
Average Current Age ¹	46.5	47.5	48.5	49.5
Average Annual Benefit ¹	\$12,180	\$12,180	\$12,180	\$12,180

¹ Excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24												0
25 - 29	1											1
30 - 34	1	1	1	2								5
35 - 39	1				1							2
40 - 44	1		1				1					3
45 - 49	1			1	1					1		4
50 - 54								2				2
55 - 59					1			1			1	3
60 - 64												0
65+												0
Total	5	1	2	3	3	0	1	3	0	1	1	20

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2019	18
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(3)
f. DROP	0
g. Continuing participants	15
h. New entrants	5
i. Total active life participants in valuation	<u>20</u>

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	2	1	1	0	2	6	12
Retired	4	(1)	0	0	0	0	3
DROP	0	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	1	1
Death, With Survivor	0	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	6	0	1	0	2	7	16

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	Full-time employees who are classified as full-time sworn police officers or firefighters shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a Police Officer or Firefighter.
<u>Salary</u>	Total W-2 compensation plus tax exempt, tax sheltered, and tax deferred items of income.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Salary.
<u>City and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost over 30 years.
<u>Normal Retirement</u>	
Date	Earlier of: 1) age 55 and 10 years of Credited Service, or 2) age 52 and 25 years of Credited Service.
Benefit	3.00% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.
<u>Vesting</u>	
Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred) or 25% of Average Final Compensation (if not in-line-of-duty).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Deferred Retirement Option Plan

Eligibility

Satisfaction of Normal Retirement requirements (earlier of 1) Age 55 and 10 years of Credited Service, or 2) Age 52 and 25 years of Credited Service.)

Participation

Not to exceed 60 months

Rate of Return

Choice of: 1) 6.5% per year, or 2) actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter. Member may change once during DROP period.

Form of Distribution

Cash lump sum (options available) at termination of employment.

Chapter 175 Share Account

Pursuant to Chapter 2015-39, Laws of Florida, a share plan exists but is currently not funded.

STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2020

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	100,155
Total Cash and Equivalents	100,155
Receivables:	
Investment Income	1,052
Total Receivable	1,052
Investments:	
Stocks	1,355,347
Mutual Funds:	
Fixed Income	1,518,131
Equity	2,027,764
Total Investments	4,901,242
Total Assets	5,002,449
<u>LIABILITIES</u>	
Payables:	
Benefit Payments	878
DROP Distributions	3,525
Investment Expenses	2,080
Administrative Expenses	13,060
Total Liabilities	19,543
NET POSITION RESTRICTED FOR PENSIONS	4,982,906

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

ADDITIONS

Contributions:

Member	45,681	
City	163,385	
State	77,112	
Total Contributions		286,178
Investment Income:		
Net Increase in Fair Value of Investments	364,882	
Interest & Dividends	127,979	
Less Investment Expense ¹	(25,953)	
Net Investment Income		466,908
Total Additions		753,086

DEDUCTIONS

Distributions to Members:

Benefit Payments	86,092	
Lump Sum DROP Distributions	250,157	
Lump Sum PLOP Distributions	149,521	
Refunds of Member Contributions	0	
Total Distributions		485,770
Administrative Expense		35,971
Total Deductions		521,741
Net Increase in Net Position		231,345
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		4,751,561
End of the Year		4,982,906

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2020)

Plan Administration

The City of Lake Alfred Police Officers' and Firefighters' Retirement System is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City who are appointed by the City Commission, 1 of whom shall be a police officer member of the system elected by a majority of the police officers who are members of the system, 1 of whom shall be a firefighter member of the system who shall be elected by a majority of the firefighters who are members of the System and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	18
	30
	30

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for Lake Alfred Police Officers' and Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants. Incorporated are the benefit changes for measurement date September 30, 2020 as noted under the Notes to Schedule of Changes in Net Pension Liability and Ratios.

Contributions

Member Contributions: 5.0% of Salary.
City and State Contributions: Remaining amount required in order to pay current costs and amortize any unfunded past service cost over 30 years.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

Asset Class	Target Allocation
Domestic Equity	50.00%
International Equity	15.00%
Broad Market Fixed Income	30.00%
Global Fixed Income	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 10.02 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

GASB 67

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of 1) Age 55 and 10 years of Credited Service, or 2) Age 52 and 25 years of Credited Service.)

Participation: Not to exceed 60 months

Rate of Return: Choice of: 1) 6.5% per year, or 2) actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter. Member may change once during DROP period

The DROP balance as September 30, 2020 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$ 4,624,746
Plan Fiduciary Net Position	<u>\$ (4,982,906)</u>
Sponsor's Net Pension Liability	<u>\$ (358,160)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	107.74%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service -based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.
 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated, June 15, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return¹</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%

¹ Source: AndCo Consulting

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 189,826	\$ (358,160)	\$ (819,337)

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

	09/30/2020	09/30/2019
Total Pension Liability		
Service Cost	182,194	163,963
Interest	335,830	320,259
Changes of benefit terms	-	39
Differences between Expected and Actual Experience	14,759	(23,250)
Changes of assumptions	(115,095)	-
Benefit Payments, including Refunds of Employee Contributions	(485,770)	(43,100)
Net Change in Total Pension Liability	(68,082)	417,911
Total Pension Liability - Beginning	4,692,828	4,274,917
Total Pension Liability - Ending (a)	<u>\$ 4,624,746</u>	<u>\$ 4,692,828</u>
Plan Fiduciary Net Position		
Contributions - Employer	163,385	103,411
Contributions - State	77,112	70,944
Contributions - Employee	45,681	43,576
Net Investment Income	466,908	213,148
Benefit Payments, including Refunds of Employee Contributions	(485,770)	(43,100)
Administrative Expense	(35,971)	(25,144)
Net Change in Plan Fiduciary Net Position	231,345	362,835
Plan Fiduciary Net Position - Beginning	4,751,561	4,388,726
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,982,906</u>	<u>\$ 4,751,561</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (358,160)</u>	<u>\$ (58,733)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	107.74%	101.25%
Covered Payroll	\$ 913,614	\$ 871,511
Net Pension Liability as a percentage of Covered Payroll	-39.20%	-6.74%

Notes to Schedules:

Changes of benefit terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Additionally, as a result of an Experience Study dated June 15, 2020, the following assumption changes were made:

- The investment return assumption was reduced from 7.25% to 7.00%, net of investment related expenses.
- The assumed individual salary increases were changed from an age-based table to a service-based table.
- The assumed retirement age for those eligible for Normal Retirement is being changed to be a 33.33% probability at first eligibility for Normal Retirement, 50% probability in second year of eligibility and 100% at 2 years after being first eligible for Normal Retirement. The assumption that Members eligible for Normal Retirement on the valuation date will work one more year has been removed.
- The assumed rates of pre-retirement withdrawal have been changed from an age-based table to a service-based table.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2020	\$ 159,690	\$ 240,497	\$ (80,807)	\$ 913,614	26.32%
09/30/2019	\$ 164,806	\$ 174,355	\$ (9,549)	\$ 871,511	20.01%

Notes to Schedule

Valuation Date: 10/01/2018 (AIS 12/17/2019)

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2018 Actuarial Valuation for the City of Lake Alfred Police Officers' and Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2020	10.02%
09/30/2019	4.77%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Description

The City of Lake Alfred Police Officers' and Firefighters' Retirement System is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are legal residents of the City who are appointed by the City Commission, 1 of whom shall be a police officer member of the system elected by a majority of the police officers who are members of the system, 1 of whom shall be a firefighter member of the system who shall be elected by a majority of the firefighters who are members of the System and a fifth Trustee who is chosen by a majority of the first 4 Trustees.

Full-time employees who are classified as full-time sworn police officers or firefighters shall participate in the System as a condition of employment.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	18
	30
	30

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for Lake Alfred Police Officers' and Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 5.0% of Salary.

City and State Contributions: Remaining amount required in order to pay current costs and amortize any unfunded past service cost over 30 years.

Net Pension Liability

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation		2.50%
Salary Increases	Service -based	
Discount Rate		7.00%
Investment Rate of Return		7.00%

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Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.
 Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated, June 15, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	50.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	30.00%	2.50%
Global Fixed Income	5.00%	3.50%
Total	100.00%	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2020	\$ 4,692,828	\$ 4,751,561	\$ (58,733)
Changes for a Year:			
Service Cost	182,194	-	182,194
Interest	335,830	-	335,830
Differences between Expected and Actual Experience	14,759	-	14,759
Changes of assumptions	(115,095)	-	(115,095)
Changes of benefit terms	-	-	-
Contributions - Employer	-	163,385	(163,385)
Contributions - State	-	77,112	(77,112)
Contributions - Employee	-	45,681	(45,681)
Net Investment Income	-	466,908	(466,908)
Benefit Payments, including Refunds of Employee Contributions	(485,770)	(485,770)	-
Administrative Expense	-	(35,971)	35,971
Net Changes	(68,082)	231,345	(299,427)
Reporting Period Ending September 30, 2021	\$ 4,624,746	\$ 4,982,906	\$ (358,160)

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 189,826	\$ (358,160)	\$ (819,337)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

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FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2020

For the year ended September 30, 2020, the Sponsor has recognized a Pension Expense of \$157,410. On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	35,232	57,185
Changes of assumptions	26,754	-
Net difference between Projected and Actual Earnings on Pension Plan investments	9,557	-
Employer and State contributions subsequent to the measurement date	240,497	-
Total	\$ 312,040	\$ 57,185

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2020. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:		\$	
2021		\$	(13,755)
2022		\$	(9,387)
2023		\$	15,408
2024		\$	22,092
2025		\$	-
Thereafter		\$	-

PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$107,335. On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	28,686	11,626
Changes of assumptions	-	86,322
Net difference between Projected and Actual Earnings on Pension Plan investments	-	82,645
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 180,593

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:		
2022	\$	(60,663)
2023	\$	(35,868)
2024	\$	(29,184)
2025	\$	(26,192)
2026	\$	-
Thereafter	\$	-

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2021 09/30/2020	09/30/2020 09/30/2019
Total Pension Liability		
Service Cost	182,194	163,963
Interest	335,830	320,259
Changes of benefit terms	-	39
Differences between Expected and Actual Experience	14,759	(23,250)
Changes of assumptions	(115,095)	-
Benefit Payments, including Refunds of Employee Contributions	(485,770)	(43,100)
Net Change in Total Pension Liability	(68,082)	417,911
Total Pension Liability - Beginning	4,692,828	4,274,917
Total Pension Liability - Ending (a)	\$ 4,624,746	\$ 4,692,828
Plan Fiduciary Net Position		
Contributions - Employer	163,385	103,411
Contributions - State	77,112	70,944
Contributions - Employee	45,681	43,576
Net Investment Income	466,908	213,148
Benefit Payments, including Refunds of Employee Contributions	(485,770)	(43,100)
Administrative Expense	(35,971)	(25,144)
Net Change in Plan Fiduciary Net Position	231,345	362,835
Plan Fiduciary Net Position - Beginning	4,751,561	4,388,726
Plan Fiduciary Net Position - Ending (b)	\$ 4,982,906	\$ 4,751,561
Net Pension Liability - Ending (a) - (b)	\$ (358,160)	\$ (58,733)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	107.74%	101.25%
Covered Payroll	\$ 913,614	\$ 871,511
Net Pension Liability as a percentage of Covered Payroll	-39.20%	-6.74%

Notes to Schedules:

Changes of benefit terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were Additionally, as a result of an Experience Study dated June 15, 2020, the following assumption changes were made:

- The investment return assumption was reduced from 7.25% to 7.00%, net of investment related expenses.
- The assumed individual salary increases were changed from an age-based table to a service-based table.
- The assumed retirement age for those eligible for Normal Retirement is being changed to be a 33.33% probability at first eligibility for Normal Retirement, 50% probability in second year of eligibility and 100% at 2 years after being first eligible for Normal Retirement. The assumption that Members eligible for Normal Retirement on the valuation date will work one more year has been removed.
- The assumed rates of pre-retirement withdrawal have been changed from an age-based table to a service-based table.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2020	\$ 159,690	\$ 240,497	\$ (80,807)	\$ 913,614	26.32%
09/30/2019	\$ 164,806	\$ 174,355	\$ (9,549)	\$ 871,511	20.01%

Notes to Schedule

Valuation Date: 10/01/2018 (AIS 12/17/2019)
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2018 Actuarial Valuation for the City of Lake Alfred Police Officers' and Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (113,809)	\$ 258,866	\$ 375,558	\$ -
Employer and State contributions made after 10/01/2019	-	-	240,497	-
Total Pension Liability Factors:				
Service Cost	163,963	-	-	163,963
Interest	320,259	-	-	320,259
Changes in benefit terms	39	-	-	39
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(23,250)	23,250	-	-
Current year amortization of experience difference	-	(94,214)	(17,616)	(76,598)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(48,099)	48,099
Benefit Payments, including Refunds of Employee Contributions	(43,100)	-	-	-
Net change	<u>417,911</u>	<u>(70,964)</u>	<u>174,782</u>	<u>455,762</u>
Plan Fiduciary Net Position:				
Contributions - Employer	103,411	-	(103,411)	-
Contributions - State	70,944	-	(70,944)	-
Contributions - Employee	43,576	-	-	(43,576)
Projected Net Investment Income	323,609	-	-	(323,609)
Difference between projected and actual earnings on Pension Plan investments	(110,461)	-	110,461	-
Current year amortization	-	(43,282)	(86,971)	43,689
Benefit Payments, including Refunds of Employee Contributions	(43,100)	-	-	-
Administrative Expenses	(25,144)	-	-	25,144
Net change	<u>362,835</u>	<u>(43,282)</u>	<u>(150,865)</u>	<u>(298,352)</u>
Ending Balance	<u>\$ (58,733)</u>	<u>\$ 144,620</u>	<u>\$ 399,475</u>	<u>\$ 157,410</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (58,733)	\$ 144,620	\$ 399,475	\$ -
Employer and State contributions made after 09/30/2020	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	182,194	-	-	182,194
Interest	335,830	-	-	335,830
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	14,759	-	14,759	-
Current year amortization of experience difference	-	(45,559)	(21,305)	(24,254)
Change in assumptions about future economic or demographic factors or other inputs	(115,095)	115,095	-	-
Current year amortization of change in assumptions	-	(28,773)	(26,754)	(2,019)
Benefit Payments, including Refunds of Employee Contributions	(485,770)	-	-	-
Net change	<u>(68,082)</u>	<u>40,763</u>	<u>(33,300)</u>	<u>491,751</u>
Plan Fiduciary Net Position:				
Contributions - Employer	163,385	-	(163,385)	-
Contributions - State	77,112	-	(77,112)	-
Contributions - Employee	45,681	-	-	(45,681)
Projected Net Investment Income	335,949	-	-	(335,949)
Difference between projected and actual earnings on Pension Plan investments	130,959	130,959	-	-
Current year amortization	-	(69,473)	(30,716)	(38,757)
Benefit Payments, including Refunds of Employee Contributions	(485,770)	-	-	-
Administrative Expenses	(35,971)	-	-	35,971
Net change	<u>231,345</u>	<u>61,486</u>	<u>(271,213)</u>	<u>(384,416)</u>
Ending Balance	<u>\$ (358,160)</u>	<u>\$ 246,869</u>	<u>TBD</u>	<u>\$ 107,335</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2020 but made on or before September 30, 2021 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (130,959)	5	\$ -	\$ (26,191)	\$ (26,192)	\$ (26,192)	\$ (26,192)	\$ (26,192)	\$ -	\$ -	\$ -	\$ -
2019	\$ 110,461	5	\$ 22,093	\$ 22,092	\$ 22,092	\$ 22,092	\$ 22,092	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (4,353)	5	\$ (871)	\$ (871)	\$ (871)	\$ (871)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (212,056)	5	\$ (42,411)	\$ (42,411)	\$ (42,411)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 43,118	5	\$ 8,624	\$ 8,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 281,270	5	\$ 56,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 43,689	\$ (38,757)	\$ (47,382)	\$ (4,971)	\$ (4,100)	\$ (26,192)	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (115,095)	4	\$ -	\$ (28,773)	\$ (28,774)	\$ (28,774)	\$ (28,774)	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 107,014	4	\$ 26,754	\$ 26,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 85,378	4	\$ 21,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 48,099	\$ (2,019)	\$ (28,774)	\$ (28,774)	\$ (28,774)	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ 14,759	4	\$ -	\$ 3,689	\$ 3,690	\$ 3,690	\$ 3,690	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (23,250)	4	\$ (5,811)	\$ (5,813)	\$ (5,813)	\$ (5,813)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 70,462	4	\$ 17,616	\$ 17,616	\$ 17,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (158,983)	4	\$ (39,746)	\$ (39,746)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (69,149)	4	\$ (17,287)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ (156,848)	5	\$ (31,370)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (76,598)	\$ (24,254)	\$ 15,493	\$ (2,123)	\$ 3,690	\$ -	\$ -	\$ -	\$ -	\$ -